

The following information provides funding amounts, describes any changes in allocation methodology, the tracking of federal funds, and lists programs and their terms and conditions. This exhibit is provided for informational and planning purposes only. All State and federal funds to be allocated are contingent upon enactment of the FY 2000-01 Budget Act, federal appropriations and State/County contracts. For complete information on the terms and conditions of all funds and programs, please refer to the State/County Negotiated Net Amount contract and Drug Medi-Cal contracts.

FISCAL YEAR 2000-01 FUNDING AND ALLOCATION CHANGES

STATE GENERAL FUNDS

Regular State General Funds, Drug Medi-Cal – \$31.5 million
Perinatal State General Funds, Drug Medi-Cal – \$4.024 million

Due to a decrease in the Federal Financial Participation (FFP) percentage from 51.67% to 51.25% for Federal Fiscal Year (FFY) 2001, there is a corresponding increase in the State General Funds (SGF) share of the Medi-Cal program from 48.33% to 48.75%. The budget, therefore, reflects a \$220,000 increase in SGF for Drug Medi-Cal (DMC) (an additional \$196,000 in Regular SGF and \$24,000 in Perinatal SGF). The DMC SGF increase is being allocated proportionate to last year's allocation.

These funds are available to counties to meet the cost of DMC services for Medi-Cal beneficiaries. Any county that elects not to, or fails to, provide or contract for DMC covered services to eligible DMC beneficiaries in accordance with federal and state statutes will forfeit to the Department the SGF needed to match FFP to reimburse providers for these services. The Department will, in turn, use the SGF and contract directly with providers in that county for these services.

The Department is working with its Fiscal Workgroup and the County Alcohol and Drug Program Administrators Association of California on fiscal issues related to the separation of SGF for the DMC program. Meetings are planned for the next several months to discuss these issues. Pending policy decisions, adjustments to DMC may occur after the Budget Act.

Regular State General Funds, Ongoing – \$24.7 million

These funds are available to counties to meet the cost of alcohol and other drug services. These funds cannot be used to match FFP in the DMC program.

Perinatal State General Funds, Ongoing – \$17 million

These funds are for programs serving populations of pregnant and postpartum women and their infants and parenting women and their children through 18 years of age. These funds cannot be used to match FFP in the DMC program.

Women and Children's Residential Treatment Services – \$6.1 million

Funding for the Women and Children's Residential Treatment Services has been augmented by \$2.5 million for a total of \$6.1 million. The funding is for nine (9) existing perinatal treatment programs that began through federal Center for Substance Abuse Treatment grants (CSAT) which have since expired. These funds cannot be used for purposes of match in the DMC program.

Perinatal Expansion Program – \$3 million

A total of \$3 million is being allocated to all counties on an ongoing basis to expand existing or establish new perinatal services. The Temporary Assistance to Needy Families Maintenance of Effort (TANF MOE) requirement on Perinatal Expansion Program funds has been eliminated.

REIMBURSEMENTS

Parolee Services Network – \$8.2 million

Allocations are determined by the California Department of Corrections (CDC) based on funding authority, utilization levels, and consideration of relative parolee populations in the covered counties.

FEDERAL TRUST FUNDS

Federal law and regulations establish the requirements for expending these funds.

TRACKING FUNDS BY GRANT AWARD

Title 42, U.S.C., Section 300x-62 requires that SAPT Block Grant funds be obligated by the end of the FFY for which they were appropriated and, if obligated within such year, remain available for expenditure until the end of the succeeding FFY. The Substance Abuse and Mental Health Services Administration (SAMHSA), Division of Grants Management, has informed the Department of Alcohol and Drug Programs (ADP) that it, and by extension counties, must track obligations and expenditures by individual SAPT Block Grant award effective with FFY 2001.

Therefore, the existing processes and procedures are being modified to enable the State and counties to track SAPT Block Grant obligations and expenditures by individual grant award commencing with FFY 2001 award beginning July 1, 2000. Since State Fiscal Year (SFY) 2000-01 will be a transition year, the Department is allocating funds to counties from two grant awards (25% of the FFY 2000 award for the period of 7/1/00 to 6/30/01 and 100% of the estimated FFY 2001 award for the period of 10/1/00 to

6/30/02). Hence, each SAPT fund category listed in the Individual County Allocation Notice and in the Statewide Allocation Summary has two lines/columns representing grant awards for FFY 2000 and FFY 2001 respectively. For example, the SAPT Discretionary allocation will be listed in the Individual County Allocation Notice on two lines labeled: 1) SAPT Discretionary – 25% FFY 2000 Award and 2) SAPT Discretionary – 100% Estimated FFY 2001 Award. For subsequent fiscal years, only one grant award will be allocated annually.

The increase in SAPT Block Grant funds for SFY 2000-01 allocation does **NOT** represent additional funds, and therefore should **NOT** be used to establish new services or expand existing services. The SFY 2000-01 allocation of federal funds is available for expenditure over the following time periods:

<u>Grant</u>	<u>Federal Fiscal Year</u>	<u>Expenditure Period</u>
SAPT	2000	7/1/00 – 6/30/01
SAPT	2001	10/1/00 – 6/30/02
SDFSC	2000	7/1/00 – 6/30/02

Since periods of availability for an individual SAPT Block Grant award overlap more than one SFY, counties are to expend the oldest award prior to expending funds from the subsequent award.

SFY 1999-00 will be the last SFY in which counties will be required to report the carryover of Federal funds to the Department. Beginning with SFY 2000-01, contract language is being modified to allow counties to expend Grant funds over two state fiscal years (21 months) without having to notify the Department by April 1st of the amount of carryover funds.

Counties need to:

- 1) Match expenditures for services to the period of availability for an individual SAPT Block Grant award (For example, the FFY 2000 SAPT Block Grant award is available from 10/01/99 to 06/30/01);
- 2) Meet the allocated set-aside expenditure requirements for each individual grant; and
- 3) Report these expenditures to ADP in the year-end cost reports.

Counties can, but are not required to, document the obligation of SAPT Block Grant funds at the individual award level with providers.

The establishment of procedures to track obligations and expenditures by individual SAPT Block Grant award presents us with an opportunity to improve the current process by eliminating the carryover of federal funds and maximizing federal reimbursements by settling cost reports by "Grant Award." No Federal SAPT Block Grant funds would be returned to the Federal Government unless a county could not expend funds from an award within 21 months.

FEDERAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANTS

SAPT Block Grant Discretionary Funds – FFY 2000 Award \$31 million

SAPT Block Grant Discretionary Funds – FFY 2001 Award \$124 million

The SAPT Discretionary funds are for substance abuse treatment, prevention, and recovery services and services to specific populations such as youth and pregnant and parenting women.

The existing terms and conditions for use of the SAPT Block Grant funds continue to apply. The alcohol and drug program set-aside requirements for county expenditure of SAPT Block Grant funds remains at no less than 35 percent of the county's total allocation for alcohol treatment services and no less than 35 percent for drug treatment services.

SAPT Block Grant Primary Prevention Set Aside – FFY 2000 Award \$10 million

SAPT Block Grant Primary Prevention Set Aside – FFY 2001 Award \$41 million

The SAPT Prevention Set Aside funds support primary prevention services.

SAPT Block Grant Primary Prevention Friday Night Live – FFY 2000 Award \$138,000

SAPT Block Grant Primary Prevention Friday Night Live – FFY 2001 Award \$552,000

The Friday Night Live (FNL) program is designed to prevent alcohol and drug use among teenagers through activities including community action, assemblies, and leadership training. Sufficient funding is available for counties wishing to start a FNL program in FY 2000-01.

SAPT Block Grant Primary Prevention Set-Aside Club Live – FFY 2000 Award \$138,000

SAPT Block Grant Primary Prevention Set-Aside Club Live – FFY 2001 Award \$552,000

The Club Live (CL) prevention program is supported by the SAPT Primary Prevention Set Aside funds and are designated to fund prevention services. Federal law and regulations establish the requirements for expending these funds. Sufficient funding is available to counties wishing to start a CL program in FY 2000-01.

SAPT Block Grant HIV Set-Aside – FFY 2000 Award \$2.7 million

SAPT Block Grant HIV Set-Aside – FFY 2001 Award \$10.8 million

Federal law requires five percent of the total Block Grant award to be expended on HIV Early Intervention (testing and counseling) services for clients in treatment programs.

Fund distribution is based on several HIV indicators. The Department found no significant changes in the demographics of HIV indicators. Indicators will be reviewed and updated, when necessary, each year at Budget Act.

Last year's individual allocation notices included two funding lines labeled HIV Set-Aside and HIV Set-Aside, Ongoing Increase. This year the funding appears in one line as SAPT Block Grant HIV Set-Aside.

SAPT Perinatal Set-Aside – FFY 2000 Award \$3.9 million
SAPT Perinatal Set-Aside – FFY 2001 Award \$15.5 million

Counties may use the SAPT Perinatal Set-Aside funds to expand static capacity in existing perinatal programs, add new perinatal services or programs, and change existing programs. Counties must use these funds to maintain existing perinatal treatment capacity and programs, since the Department counts these funds toward the Perinatal Set-Aside. The Perinatal Program is part of the PSN and subject to the requirements set forth in the *Perinatal Services Network Guidelines*.

For FY 2000-01, Alpine county has declined its share of SAPT Perinatal funds. The funds are redistributed proportionately to all participating counties.

Female Offender Treatment Services – FFY 2000 Award \$161,250
Female Offender Treatment Services – FFY 2001 Award \$645,000

The Female Offender Treatment Project provides substance abuse treatment services for CDC inmates on parole from the California Institution for Women. Funding has remained constant for this program.

The four counties participating in the Female Offender Treatment Project (Los Angeles, Orange, Riverside and San Bernardino) are required to comply with the State-County contract terms and conditions.

SAPT Special Projects Ongoing – FFY 2000 Award \$72,000
SAPT Special Projects Ongoing – FFY 2001 Award \$288,000
SAPT Special Projects Limited Term – FFY 2000 Award \$43,750
SAPT Special Projects Limited Term – FFY 2001 Award \$175,000

SAPT Block Grant Adolescent Treatment Program – FFY 2000 Award \$1.2 million
SAPT Block Grant Adolescent Treatment Program – FFY 2001 Award \$4.8 million

SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES

Since funding for Safe and Drug Free Schools and Communities (SDFSC) is provided through a federal grant, expenditures must also be tracked by grant award. However, since the grant award period begins at the start of the SFY, only one award is identified for each fund category (as the “SFY 2000 Award”) in the Individual County Allocation Notice and in the Statewide Allocation Summary. Beginning with SFY 2000-01, contract language is being modified to allow counties to expend SDFSC funds over two state fiscal years (24 months) without having to notify the Department by April 1st of the amount of carryover funds.

The FY 2000 appropriations bill passed by Congress provided that only a portion of SDFSC funds may be awarded on July 1, 2000 and that the remainder of funds appropriated for the program may not be awarded until October 1, 2000.

SDFSC Community Based Prevention – SFY 2000 Award \$3.6 million

These funds are limited to services for children and youth who are not normally served by the State or local education agencies as defined in the SDFSC Act of 1994; or populations that need special services or additional resources (such as preschoolers, youth in juvenile detention facilities, runaway or homeless children and youth, pregnant and parenting teenagers, and school dropouts). The ten-percent school, school district, or community organization match is no longer required.

Use of all SDFSC grant funds must comply with requirements set forth in the Safe and Drug Free Schools and Communities Act of 1994, Title IV of the Elementary and Secondary Education Act of 1965 (P.L. 103-382). These requirements are summarized in Exhibit C1 of the State/County contract and include authorized use of funds, allowable administrative costs, and levels of accountability.

In the past, individual allocation notices included two funding lines labeled Community Based Prevention and Community Based Prevention, Ongoing Increase respectively. This year the funding appears in one line as SDFSC Community Based Prevention.

SDFSC California Mentor Initiative – SYF 2000 Award \$500,000

Funds for this program have been made available to counties through an Application for Funding (AFF) process. Grant awards are one time only and may be expended over a twenty-four month period. The funds shall be expended in accordance with the SDFSC grant requirements, the terms and conditions of Document 1Q, "Conditions for Use of Funding Received Under the California Mentor Initiative Allocation," the CMI-AFF, the county-specific proposal, and any amendments to that proposal as included in the county's NNA contract.